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SUBJECT: JAMAICA: WITHER THE PEOPLE, S NATIONAL PARTY?

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1B. 06 KINGSTON 1342  
1C. 06 KINGSTON 1286  
1D. KINGSTON 176  
1E. 07 KINGSTON 434  
1F. 05 KINGSTON 2784  
1G. 07 KINGSTON 1144  
1H. STATE 15004 (NOTAL)

Classified By: CDA James T. Heg, reasons 1.4(b) and (d)

Summary

11. (SBU) After more than 18 years in power, it has taken less than six months in opposition for the wheels to come off the People,s National Party (PNP) machine. The party that lost what once had seemed a sure-thing election, continues to embarrass itself. A number of the scandals came to light during the PNP rule, such as Trafigura (Ref A), the &Whitehouse Scandal8 (Ref B), the cement fiasco (Ref C), and the latest, the Cuban light bulb scandal (Ref D), which has gotten extensive press coverage. These scandals combine with the falling fortunes of Opposition Leader Portia Simpson-Miller and three party Secretary Generals in as many years have led to the downfall of the PNP a dispirited party without apparent purpose or direction. End Summary.

The Leadership (or lack thereof)

12. (SBU) When the popular former PM P.J. Patterson turned over the reigns of the party and the country to Portia Simpson-Miller (PSM) in 2005, no one foresaw such a rapid fall in the once popular party. PSM appeared set to lead the PNP to yet another election day victory and send then-Opposition Leader Bruce Golding out of representational politics for good. After all, her popularity rating was soaring, as the working class viewed her as an almost messianic figure coming from humble roots to the leadership as the first woman Prime Minister in Jamaica,s young history (Ref E). However, poor timing in calling (or rather not calling) the election, a wave of scandals, and an inability to provide coherent leadership in her own party led to a narrow victory for the Jamaica Labour Party (JLP) and PM Bruce Golding in September, 2007.

13. (SBU) Now, six months after the election failure, PSM is seldom seen and even more rarely speaks in public. Whereas Golding and the JLP were active and vibrant while in opposition, aside from an occasional op-ed piece in the local media by former Minister of National Security (and rival for the PNP throne) Peter Phillips, or boisterous budget protests

of former Minister of Finance Omar Davies, the PNP appears to be lost at sea and still unable to come to terms with its fall from power.

#### Scandal after Scandal

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¶4. (SBU) Even louder than the inaction of the PNP in opposition is the clamoring in the media about the scandals that have rocked the once-proud party. The Trafigura scandal in which Jamaican \$31 million (Approx \$475,000 USD) was deposited into PNP accounts by a Dutch company, was the big blow to PSM's plans for an early election. Trafigura is still looms as PM Golding has authorized authorities from the Dutch Government to visit Jamaica on a fact-finding mission. Dutch investigators already have visited twice and interviewed several senior members of the previous PNP government including Portia and former General Secretary Colin Campbell. However, according to recent media reports, the investigators were dissatisfied with the information they received.

¶5. (SBU) The scandal receiving the most attention in 2008 is the Cuban light bulb scandal, in which millions of Jamaican dollars have been spent and millions more billed on a project to deliver energy efficient light bulbs made in Vietnam and were given as a gift from the Castro government. The plan was to deliver four million light bulbs; however no written plan of action was ever tabled by the government, and the companies chosen as contractors were not registered at the time. This scandal has led to the arrest of former Junior Minister Kern Spencer.

¶6. (SBU) Other scandals, now almost forgotten in the wake of Trafigura and the Cuban light bulbs, include the Whitehouse scandal and the Cement fiasco. In the former the Urban Development Corporation (UDC) was accused of several breaches of procurement procedures in a joint project with the Sandals hotel chain; the project suffered US\$39 million in cost overruns. The hotel, built in the underdeveloped South Western region, is still struggling to meet its financial obligations, despite a better than projected occupancy rate. In the Cement fiasco, 500 tons of faulty cement were released by the government monopoly Caribbean Cement Company Limited (CCCL), which nearly crippled the booming construction industry because of severe shortages.

#### Phillip Pauwell: The Teflon Minister?

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¶7. (C) One of the biggest unifying factors in the aforementioned scandals is former Minister of Industry, Technology, Energy and Commerce Phillip Paulwell. A staunch ally of Simpson-Miller, he has been behind the scenes of numerous imbroglios starting with the Netserv scandal (Reftel F), the Cement Fiasco, Trafigura, and the Cuban light bulb scandal. Yet, despite all the innuendos, and accusations, he has never been charged with a crime; his only admonition--stepping down as opposition spokesman on Energy and Mining, while continuing to serve as Member of Parliament (MP) for Kingston East and Port Royal (Reftel G). (Note: Kern Spencer resigned as opposition junior spokesman on industry and commerce, but recent polls in the media reveal he still has the enthusiastic support of his constituents in St. Elizabeth Northeast. End note.) Paulwell has admitted no fault in any of the scandals, though he has kept a very low profile since the Cuba light bulb scandal. He refuses to resign, despite the fact many senior members of the PNP would like to see him gone, in an attempt to move beyond the scandal ridden recent past.

#### Peter Bunting and the youth movement

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¶8. (S/NF) Peter Bunting was the unanimous choice for the PNP Secretary General in a recent meeting of the Party's National

Executive Council. (Note: D.K. Duncan was nominated for the role by the PSM faction of the leadership, but withdrew his candidacy just days before the NEC met, since it was clear he had no chance to carry the vote, and a landslide vote against him would have further embarrassed Simpson-Miller. End note.) Bunting was twice elected as MP in the 1990s and did not return to representational politics until the 2007 election when he was tapped to run for Manchester Central. He was a successful investment banker who made a fortune with the firm of Dehring, Bunting and Golding. Bunting was brought in as part of a youth movement to rejuvenate an aging PNP; however his track record is not spotless. A former Emboff was told by Bunting's brother that the only reason he ran for office was the PNP forced him back into politics. His brother claimed that Peter paid little or no taxes on the sale of Dehring, Bunting and Golding and therefore was expected to bankroll the PNP and to run for office as well. He also is alleged to be involved in business deals connected to a notorious drug kingpin in his home district of Mandeville (Ref H).

¶9. (SBU) Kern Spencer also was elected as a part of the infusion of youth in the PNP, but as he awaits trial for corruption over involvement in the Cuban light bulb affair, his future is not clear. If the PNP is to re-invent itself, it will need strong leadership and fresh faces and voices. The one bright new member of the 2007 PNP MPs is Lisa Hanna. A first time MP for the St. Ann South East constituency, she is a former Miss Jamaica who is proving to be very successful and popular in her new role as Opposition Spokesperson for Information and Youth. She has had a very positive reception from her constituency and the media.

#### Conclusion

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¶10. (SBU) The party of Norman and Michael Manley has come a long way from its humble beginnings before the independence of Jamaica. In late 2006 it seemed that the country was headed to another term of PNP rule, and the JLP was the party on the brink. Now as the scandals mount and the leadership fractures, the PNP appears to be a sinking ship with no captain at the helm.

¶11. (SBU) Opposition Leader Portia Simpson-Miller, once the darling of the masses appears to be in over her head. Few of the other senior leaders of the party support her leadership. Bunting was announced as the new General Secretary to much fanfare, yet he has spent his first weeks in office trying to distance himself from the likes of Kern Spencer and the scandals of the past. If the overall situation in Jamaica were better, PM Golding could call a new election and solidify the JLP's majority in parliament, as he appears to have the PNP fumbling in the dark. While there are no signs that Golding is considering a snap election, senior ministers of the JLP are not ruling it out as the PM tries to navigate with the slimmest of margins in Parliament (Note: the JLP currently holds a 33-27 seat advantage) and faces possible further erosion of the JLP majority as a results of cases pending before the court seeking disqualification of MPs who allegedly have sworn allegiance to foreign powers and carry passports from other countries (Reftel F). End Note.)

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